
Department of Local Affairs



Strengthening Colorado Communities

STATE HOUSING BOARD MEETING
Department of Local Affairs
Division of Housing
1313 Sherman St., Denver, CO, Room 318
Tuesday, April 14, 2009

AGENDA

1:00 p.m.	Convene SHB Meeting - Approval of Minutes	Theo Gregory
	Director's Comments	Kathi Williams

Application Presentations

<u>Time</u>	<u>Project #</u>	<u>Project Name and Applicant</u>	<u>Presenters</u>
1:15 p.m.	09-052	Imagine! Longmont SmartHome	Denise Selders & Greg Wellems
1:30 p.m.	09-303	City of Pueblo NSP Program	Rick Hanger & Ada Clark
1:45 p.m.	09-305	Douglas County NSP Program	Rick Hanger & Jennifer Eby
2:00 p.m.	09-302	Jefferson County NSP Program	Meghen Duggins & Jacqueline Pickett

Approval Process

2:15 p.m.	09-052	09-303	09-305	09-302
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Other Business

2:30 p.m.	Budget Update	Antoniette Estrada
2:45 p.m.	Approval of Housing Choice Voucher Program	Teresa Duran
3:00 p.m.	Codes Rule Making Process	Steve Bernia

Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public meeting, please notify Trang Van at (303) 866-5154 by April 13, 2009.

cc:	Susan Kirkpatrick	CHATS	Teresa Duran	Kathi Williams
	Rick Hanger	Lynn Shine	Steve Bernia	State Housing Board Members

STATE HOUSING BOARD MINUTES

Department of Local Affairs, Division of Housing

1313 Sherman St., Denver, CO, Room 318

Tuesday, March 10, 2009

BOARD MEMBERS PRESENT: Theo Gregory, Sally Hatcher, Mike Rosser, Karen Weitkunat and Suzanne Anarde by telephone.

BOARD MEMBERS ABSENT: Gene Lucero

CDOH STAFF PRESENT: Teresa Duran, Rick Hanger, Denise Selders, Stephanie Morey, Meghen Duggins, Ann Watts and Autumn Gold.

CALL TO ORDER: Meeting was called to order by Theo Gregory at 1:00 p.m.

APPROVAL OF MINUTES: Minutes from the February meeting were approved.

DEPUTY DIRECTOR'S COMMENTS

Deputy Director Duran provided the Directors comments in the absence of Director Williams. She noted that the Division expected to receive its NSP funding within two days, and informed the Board of additional funding the Division anticipates receiving through the American Recovery and Reinvestment Act (ARRA). The Division of Housing is now participating in a department-wide effort through the Oracle database to provide new reporting capabilities, including estimates of jobs generated and retained through the projects the department funds. The Joint Budget Committee has proposed an additional \$500,000 in funding for the Housing Development Grant fund, bringing the total proposed amount to \$2,750,000. However, if the economic forecast out of the Governor's Office indicates worsening conditions, Division funding could still be reduced.

EXECUTIVE DIRECTOR'S COMMENTS

Board President Gregory welcomed Dept. of Local Affairs Executive Director Susan Kirkpatrick to the meeting and she apprised the Board of the Departments orientation toward any ARRA funds we may receive. The funds will be dispersed using a department wide strategy, "Investments to Strengthen Colorado Communities" that will consider such factors as community proposals, leveraging, opportunities to coordinate with the Governor's Energy Office on weatherization, etc.

APPLICATIONS REVIEWED IN MARCH

**Boulder Housing Partners
Broadway West Community**

Project Number: 08-045

Project Manager & Address: Stuart Grogan, Housing Planner
Boulder Housing Partners
4800 Broadway
Boulder, CO 80304
Ph: (720) 564-4644
Fx: (303) 544-9553
Email: grogans@bouldercolorado.gov

Project Address: 3120 Broadway, Boulder CO

Project Description: Boulder Housing Partners (BHP) requests a grant of \$225,000 to help repay a bridge loan for the construction of a new 26-unit apartment building on North Broadway. The site is the former location of BHP's offices, and is next door to the North Boulder Recreation Center. Immediately behind this site is the Broadway East Community, a former public housing site that BHP recently refinanced and renovated (without CDOH funding). The new building's unit mix is designed to complement Broadway East's, and its residents will have access to the new community building and playgrounds at Broadway East. Broadway West will be a three-story structure with underground parking and an elevator, so all units will be both visitable and handicapped adaptable. All units will be affordable at 50% AMI.

Staff Recommendation: Full Funding

Date of Meeting: March 10, 2009

Anarde	Full Funding	Rosser	Full Funding
Gregory	Full Funding	Weitkunat	Full Funding
Hatcher	Full Funding		
Lucero	Absent		

The Board approved full funding for this project.

**William Simpson
Silvercliffs Apartments**

Project Number: 09-049

Project Manager & Address: William Simpson
Sleeping Indian LLC
328 Riverview Court
Canon City, CO 80212
(303) 887-0986
wsimpson53@msn.com

Sharon McKinsey, Regional Housing Development Director
Upper Arkansas Area Development Corporation (UAADC)
3224 Independence Road / P. O. Box 510
Cañon City, CO 81215-0510
(719) 269-7687

(719) 275-2907 Fax
housing@uaacog.com

Project Address: Lots 1-16, Block 188, Silver Cliff, CO

Project Description: Custer County requests a CDBG grant of \$238,000 for the acquisition of a site for a new rental housing development in Silver Cliff. Custer County would grant the funds to the Upper Arkansas Area Development Corporation (UAADC), and UAADC would lend the funds to the project developer, Sleeping Indian LLC. This loan would be secured by the property, in first position, at 0% interest for 40 years. UAADC would receive loan payments and, as program income, would reinvest them in future CDBG-eligible affordable housing projects. Silvercliffs Apartments will be factory-built, and a mix of single-family and duplex units. There will be a total of 16 units with a mix of 1, 2, & 3 bedrooms; affordable at 30%, 40%, 50% & 60% AMI as shown in the following chart:

Staff Recommendation: Full Funding, conditioned on CHFA not waiving their monitoring requirements

Date of Meeting: March 10, 2009

Anarde	Full Funding	Rosser	Full Funding
Gregory	Full Funding	Weitkunat	Full Funding
Hatcher	Full Funding		
Lucero	Absent		

The Board approved full funding for this project, however, it is conditioned on CHFA not waiving their monitoring requirements.

**Town of Breckenridge
Valley Brook Subdivision**

Project Number: 09-050

Project Manager & Address: Laurie Best, Planner
Town of Breckenridge
P.O. Box 168
Breckenridge, CO 80424
970-547-3112
Fax: 970-547-3132
laurieb@townofbreckenridge.com

Project Address: Corner of Airport Road and Valley Brook Road, Breckenridge

Project Description: The Town of Breckenridge requests a grant of \$750,000 to assist with the infrastructure costs for the Valley Brook Subdivision in Breckenridge, Summit County. The 4.4 acre vacant land is owned by the Town and will be donated to Mercy Housing Colorado, who was selected to be the Developer of the homes. The Valley Brook subdivision will provide workforce housing for a total of 42 homeowners, of which 22 homes will be priced at or below 80% AMI and 20 homes will be priced at or below 120% AMI. There is a mixture of 2 and 3 bedroom floor plans available at both levels of affordability. The Summit Combined Housing Authority will market the homes, provide home buyer education classes, and monitor the ongoing Deed Restrictions. All 42 homes will be permanently affordable (for 99 years).

Staff Recommendation: Full Funding

Date of Meeting: March 10, 2009

Anarde	Full Funding	Rosser	Full Funding
Gregory	Full Funding	Weitkunat	Full Funding
Hatcher	Full Funding		
Lucero	Absent		

The Board approved full funding for this project.

**Colorado Housing Assistance Council
HERO Alliance Home Buyer Program**

Project Number: 09-045

Project Manager & Address: Michelle Mitchell, President
Colorado Housing Assistance Corp. (CHAC)
670 Santa Fe Drive
Denver, CO 80204
303-572-9445
303-573-9214 Fax
mmitchell0@aol.com

Project Address: Various – Statewide Program

Project Description: The Colorado Housing Assistance Council (CHAC) requests a grant of \$500,000 for their on-going statewide down payment assistance for people with disabilities. CHAC operates this program for the HERO Alliance, a statewide collaboration of funding sources and service providers. Potential homeowners receive housing counseling and assistance in order to secure low-interest mortgages from Rural Development, CHFA, and banks. This grant would assist 60 households who are at or below 80% AMI.

Staff Recommendation: Partial Funding of \$292,000 to continue this program through September 2009 and assist in aligning this program with the new CDOH funding cycles.

Date of Meeting: March 10, 2009

Anarde	Partial Funding per Staff Recommendation	Rosser	Partial Funding per Staff Recommendation
Gregory	Partial Funding per Staff Recommendation	Weitkunat	Partial Funding per Staff Recommendation
Hatcher	Partial Funding per Staff Recommendation		
Lucero	Absent		

The Board approved partial funding for this project per staff recommendation.

**Brothers Redevelopment, Inc.
Foreclosure Hotline**

Project Number: 09-051

Project Manager & Address: Stephanie Riggi, Hotline Manager
Brothers Redevelopment, Inc.
2250 Eaton Street / Garden Level B
Edgewater, CO 80214
303-202-6340 x4230
Stephanie@brothersredevelopment.org

Project Address: 2250 Eaton Street, Garden Level B, Edgewater, CO 80214

Project Description: Brothers Redevelopment, Inc (BRI) is requesting \$188,451 to provide operating costs for the Colorado Foreclosure Hotline. BRI was the successful bidder for the original Hotline call center contract executed in 2007. The Foreclosure Hotline is a referral service that directs homeowners within a network of over 25 HUD-approved housing counseling agencies. The individual agencies provide 1-on-1 counseling to households that are at risk for foreclosure throughout the state. The funding will provide for Hotline telephony services and for the four-person staff that presently runs the Hotline and monitors counseling outcomes in the state.

The funding is to be allocated out of the \$500,000 in funds recently granted to the Division of Housing by the Colorado Attorney General's office. The \$500,000 was granted out of a 6 million dollar settlement resulting from a series of lawsuits against Countrywide Mortgage. The funds will help ensure that the Hotline will continue to function and be available to the public, free of charge, for the next year.

Staff Recommendation: Full Funding

Date of Meeting: March 10, 2009

Anarde	Full Funding	Rosser	Abstain
Gregory	Full Funding	Weitkunat	Full Funding
Hatcher	Full Funding		
Lucero	Absent		

The Board approved full funding for this project.

OTHER BUSINESS

Competitive Application Cycle Policy - Rick Hanger

- The Board discussed the need to adjust the cycles if economic changes dictate or if experiences shows that the proposed cycle is not working, and determined that there was enough flexibility to do so.
- One community development organization expressed concern that rural agencies would be at a disadvantage by having to compete head to head with urban agencies. The Board considered this concern but believed that the rural agencies would not be at a significant disadvantage and that the policy contained sufficient flexibility to accommodate any issues that might arise.
- Commissioner Rosser moved that the policy be approved and Commissioner Weitkunat seconded the motion. All Board members in attendance voted for approval.

Codes Program Update: Steve Bernia

Steve reported on the current status of rule-making for factory-built and multi-family homes. The Rules are updated every 6 years, and try to mirror local codes.

In addition, Steve has been working with the industry to create a plan that would allow third parties to

do plan reviews and onsite installation inspections. Because the legislature has not approved the addition of any inspectors to the Codes Section despite the Divisions efforts over the last several years, demand for services has greatly outstripped our ability to meet the need. The resulting backlog of work reached unacceptable levels and pointed to the need to have third party plan reviewers and installation inspectors available. The plan would give manufacturers and installers the option of paying more for quicker turnaround. Codes will approve and monitor the third parties.

Steve had hoped to have the 2009 Rules available for approval at this meeting, but learned last week that receiving funds from the federal economic recovery package is contingent on having adopted the 2009 International Energy Conservation Code. Our proposed 2009 rules only included enforcement of the 2006 standards. The standards are updated every three years, but we've been updating the rules every 6 years. There are some obstacles to adopting the 2009 IECC, but Steve expects to come forward with a new rulemaking next month if all comes together. Since the Rule is still in its public comment period, if changes can be made quickly it will save having to amend it later.

The Board will rely on Steve to come back to it when the Rule is ready to go forward.

On another issue, people buying FEMA trailers have raised a couple of problems. One is that they are not HUD certified for the Colorado standard of a 30-lb. roof load, even though they are capable of bearing that weight. They will need to have a Colorado engineer issue a certification that it can meet the 30-lb. standard. President Gregory expressed concern about possible liability if the purchase of such trailers becomes more common. Secondly, formaldehyde problems have occurred in FEMA trailers that were built by RV manufacturers whose standards do not include one for formaldehyde levels.

Consolidated Plan/Annual Action Plan: Lynn Shine

Lynn reminded the Board of John Parvensky's suggestions from the February meeting, and noted that we have also received a request from an agency in Colorado Springs to make the same changes. Their request was because the shift in economic conditions since the survey was performed in September has increased homelessness.

The board determined that goal #2 should be high priority rather than medium, that goals 6 & 7 should be medium priority, and that goal #8 should be changed to medium priority. Commissioner Hatcher moved that the plan be adopted with the inclusion of the changes above; Commissioner Rosser seconded the motion. The Plan was approved by voice vote. No additional public comments will be considered.

The Board reviewed the status of expired and open Board seats. Theo and Sally have both reapplied, the 6th District seat remains open. Board members were unclear as to whether the next meeting was to be on April 7th or 14th. Teresa Duran promised to send out an e-mail with the correct date.

The meeting adjourned at 4:15 pm

APRIL APPLICATIONS

Imagine!
Longmont SmartHome Group Home

Project Number: 09-052

Project Manager & Address: Mary Anderies
Housing Consultant
Anderies Consulting
4548 West 33rd Avenue
Denver, CO 80212
Telephone: 303-433-4401
Fax: 303-443-6845
Email: Mary@AnderiesConsulting.com

Project Photo:



Project Address: 1608 Otis Street, Longmont, CO 80501

Project Description: Developmental Disabilities Center, d/b/a Imagine!, a 501 (c)(3) non-profit corporation and the Community Centered Board serving Boulder and Broomfield Counties, requests a grant in the amount of \$100,000 to assist with the construction costs of its HUD 811 SmartHome Group Home for very low-income individuals (below 50% AMI) with physical, cognitive, and developmental disabilities at 1608 Otis Street in Longmont, Boulder County. Imagine! Housing Corp. II (a non-profit subsidiary corporation) will operate the property. The home will be a 3,500 sq. ft. fully accessible home and will provide 6 consumer bedrooms and one bedroom for overnight staff. Residents will contribute 30% of their income towards rent and HUD will provide ongoing rental assistance for the balance of the rent amount. The home will showcase cutting-edge technology for enhancing livability for this special needs population.

AFFORDABILITY

<u>Type of Beds</u>	<u># of Beds</u>	<u>Income of Beneficiaries</u> (4-person households in Boulder County)
<u>CDOH HOME-Assisted Beds</u> (1) 1BR	1	≤ 50% of AMI (\$44,550)
<u>Other Affordable Beds</u> (5) 1BR	5	≤ 50% of AMI (\$44,550)
<u>Employee Beds</u> (1) 1BR	1	unrestricted
<u>Total Beds</u>	7	

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Acquisition (2 lots)	120,000		60,000	City of Longmont (HOME & CDBG)	committed
			60,000	Imagine! Foundation	committed
Appraisal & Market Study	1,000		1,000	Imagine!	committed
Architect/Engineering	92,150		92,150	Imagine!	committed
Building Permit & Tap Fees	44,146		19,534	City of Longmont (discounted fees)	committed
			24,612	Imagine! & HUD	committed
Construction	567,084	100,000	467,084	Imagine! & HUD	committed
Off-site Infrastructure	21,475		21,475	Imagine!	committed
On-Site Infrastructure	69,701		69,701	HUD	committed
Contingency	19,166		19,166	HUD	committed
Construction Loan Expenses	32,000		32,000	HUD	committed
Operating Reserve	2,915		2,915	Imagine!	committed
Developers Fee	27,199		27,199	Imagine!	committed
Supportive Technology	180,000		180,000	Imagine! Foundation	committed
Totals	1,176,836	100,000	1,076,836		

PROJECT ASSESSMENT FOR Rental New Construction

Criteria	Project Data				DOH Range
Building Cost					
Cost/Unit/Sq. Ft.	\$197,039	/Unit	\$333	/SF	\$135 to \$205
Hard Cost/Unit/Sq. Ft.	\$120,262	/Unit	\$203	/SF	\$105 to \$160
Soft Cost/Unit/Sq. Ft.	\$ 56,777	/Unit	\$ 96	/SF	\$25 to \$40
Land Cost/unit	\$ 20,000	/Unit			\$10,000 to \$18,000
Hard/Soft Cost	68%	Hard	32%	Soft	
Cost Effectiveness Rating					
DOH subsidy/unit	\$16,667				\$4,000 to \$10,000
Annual Cost/Person & Rating	\$3,284	#2	40	years	1 to 10 Scale
Externality Rating		#8			1 to 10 Scale
Rent Savings Rating	\$2,376	#3			1 to 10 Scale
Financial Leveraging Rating		#10			1 to 10 Scale
Composite Score		#23			1 to 40 Scale
Operating Cost					
PUPA	\$5,294				\$3,700 to \$4,700
Annual Replacement Reserve	\$468				\$300 (\$250 for seniors)
Debt Coverage Ratio	No debt payment				1.10 to 1.20
Capitalized Operating Reserve	\$2,915				4 months debt & operating costs
Financial Commitments					
Terms of Primary Financing	0.0%	40	years	HUD Forgivable Loan	
P.V. Tax Credits	N/A				\$.75 to .85
Other Criteria					
Fully Accessible Units	6 / 100%				5% of Units Encouraged
Visitable Units	6 / 100%, plus all common facilities				All units Encouraged
Energy-Efficiency Standard	Energy Star New Home Stds. (minimum) or U.S. Green Building Council (USGBC) Stds.				CDOH Energy Standards Policy
Water Efficient Landscape	Yes				Denver Water Board Recommendation
30% AMI Units	None – although tenants' incomes are normally below 10% AMI				5% of Units Encouraged
DOH requirements					
Priority	Special Needs, Very low income rentals				CDOH Action Plan Goals
CDOH Funding Eligibility	HOME, HDG				
Minimum Application Criteria	Yes				CDOH Application Minimum Criteria Policy
Housing Needs Assessment Supports Project	Yes – 2005 Study; Need is identified in City of Longmont's FY 07-09 Con Plan				Local Housing Needs Assessment

Comments:

- **Management Capacity**

Pro:

1. Imagine! is a non-profit corporation which has provided housing and supportive services to people with developmental disabilities and their families in Boulder and Broomfield Counties since 1963. It serves 2,500 people per year. Imagine! has more than 200 full-time staff who provide residential services for 185 people in 21 residential sites consisting of 3 group homes, 17 personal care alternative (PCA) sites, and 58 host homes. It also manages 225 Section 8 housing certificates for its clients.
2. In 2000, DOH provided an HDG grant of \$105,000 to Developmental Disabilities Center (now known as Imagine!) for the construction of the Foothills group home in Boulder with 8 beds for seniors with developmental disabilities.
3. Mary Anderies is the housing development consultant for this Imagine! project. She has 26 years of experience working with the HUD Section 811 and 202 programs for housing for the disabled and elderly.
4. PEH Architects, a Boulder firm in business for 23 years, has a special emphasis on designing housing for the elderly and for persons with Alzheimer's. They have agreed to donate approximately \$30,000 in design fees to the project.
5. Golden Triangle Construction, a Longmont general contractor in business since 1977, has provided initial construction cost estimates for the project. The project will be bid out per HUD's procurement guidelines.

Con: None.

- **Public/Private Commitment**

Pro:

1. This project has received a Capital Advance of \$582,900 from a HUD Section 811 forgivable loan. Additionally, HUD will provide on-going rental assistance to the project to subsidize the amount of rent paid by the residents.
2. The City of Longmont has provided a total of \$60,000 in HOME and CDBG grant funds to the project. The City will also discount the permit and tap fees by 50%. This amount is anticipated to be approximately \$19,534.
3. Imagine! receives Boulder County funds generated by a mil levy. The Imagine! Board of Directors passed a resolution allowing for the use of \$10,000 of Boulder County funds to be used for the Longmont SmartHome group home.
4. The Imagine! Foundation was established in 2001 to raise funds from the local community. To date, it has raised more than \$1,800,000. The Foundation has committed \$392,603 in equity to this project.

Con: None.

- **Market Demand**

Pro:

1. Imagine! is the single point of entry for people with developmental disabilities seeking housing and services in Boulder and Broomfield Counties. They currently have over 432 people on the waiting list for comprehensive services. About 60 of those would be candidates for residency in a group home such as this one. There will be on-site staff providing assistance to the residents on a 24/7 basis.
2. This group home will serve people ranging in age from 25 years to 50 years old with both cognitive and physical disabilities. The SmartHome concept with enhanced technologies will allow for greater independence for residents in their daily lives and will provide for

greater efficiencies for Imagine! staff with their monitoring of residents' needs.

3. The most recent Housing Needs Assessment for Boulder County was completed in 2005. They are anticipating updating that study in the near future. The need for housing for the disabled population is identified in the 2005 study and also in the FY 07-09 Longmont Consolidated Plan.

Con: None.

Explain Variances from ranges:

- The hard costs and soft costs are both higher than the ranges due to the single-story design of the home, the interior finishes required by this special needs population, and the supportive technology components. The land cost is also higher than normal due to the fact that the footprint for this group home is larger than normal and required the purchase of two adjoining lots which are being combined into a single lot.
- The CDOH subsidy is higher than the range due to the small size of the group home (6 beds) which is limited by HUD. The PUPA is higher than the range due to all utilities being paid by the owner, the HOA dues for the subdivision, and the replacement reserve funding level required by HUD. Supportive services are not included in the operating expenses for the property.

Other projects funded in Boulder County since 4/08:

- | | |
|---|-----------|
| • 3/09 – Boulder County HA, Longs Peak Energy Conservation, grant | \$250,000 |
| • 12/08 – Thistle Community Housing, CHDO Operating, grant | \$16,000 |
| • 5/08 – Thistle Community Housing, Cannery Apts., grant | \$750,000 |
| • 4/08 – City of Longmont, Down Payment Assistance, grant | \$112,054 |

Other projects funded for Imagine! since 4/08: None

Boulder County AMI: \$89,100

Staff Recommendation: Partial funding of \$90,000 to match the local entitlement community financial contribution

Date of Meeting: April 14, 2009

Anarde		Rosser	
Gregory		Weitkunat	
Hatcher			
Lucero			

COLORADO DIVISION OF HOUSING * HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name: Imagine! Longmont SmartHome

Spreadsheet directions are to the right --->

Date: 4/6/09

Applicant: Imagine!

PAGE #1

Spreadsheet Version: Application

Operating Proforma

STABILIZED FIRST YEAR INCOME						EXPENSES	
	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent	Administrative Expenses	
					0	Management Fee	3,240
1Br/1Ba					0	On-site Personnel Payroll	4,358
					0	Health Ins. & Benefits	incl above
2Br/1Ba					0	Legal & Accounting	900
					0	Advertising	
3Br/2Ba					0	Office Supplies	284
					0	Telephone	1,472
Group Home	50%	6	592	465	33,480	Audit	5,000
					0	Other	
					0	Total Administrative Expenses	15,254
					0	Operating Expenses	
					0	Utilities (owner paid)	5,019
					0	Trash Removal	230
					0	Fire & Liability Insurance	1,244
					0	Other	
					0	Total Operating Expenses	6,493
	Total units	6	Total Rent Income		33,480	Maintenance	
	Total sq ft	3,554				Maintenance	
			Parking Income		0	Repairs	4,211
			Laundry Income		0	Grounds (inc. snow removal)	
			Other Income		0	Other	
			Total Income		33,480	Total Maintenance	4,211
	Vac. Rate	0.05	Less Vacancy		-1,674	HOA Dues	3,000
			Effective Gross Income		31,806	Operating Reserve	
						Replacement Reserve	2,806
			DEBT SERVICE			TOTAL ANNUAL EXPENSES	31,764
			1st Mortgage		0	NET OPERATING INCOME	42
			2nd Mortgage		0	P.U.P.A. Expenses *	5,294
			3rd Mortgage		0		
			TOTAL DEBT SERVICE		0		
	BEP	94.87%	Poss D/S @ 1.1 DCR		38		
			Project Debt Coverage Ratio		#DIV/0!		

9.68%

45.56%

31764
0

unit avg.= 0

unit avg.= 468

* P.U.P.A = Per Unit Per Annum Expenses

BEP = Break Even Point

Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio

Neighborhood Stabilization Program (NSP) – DOLA/CDOH Staff Pro/Con Summary

Name: City of Pueblo – Neighborhood Stabilization Program

Project Number: 09-303

Project Manager & Address: Ms. Ada Clark
City of Pueblo
Housing and Citizen Services
2631 East 4th Street
Pueblo, Colorado 81001
(719) 553-2845 telephone
(719) 553-2855 fax
adaclark@pueblo.us

Overall Application Description and Budget:

Overall Application Description:

The City of Pueblo requests a Neighborhood Stabilization Program (NSP) Tier 1 grant in the amount of \$2,857,610 for two (2) separate projects including the following;

- Multi-family Acquisition/Rehabilitation Project
- Purchase, Rehabilitate and Resale Homeownership Program

OVERALL NSP APPLICATION ASSESSMENT

Criteria	Project Data	DOH Range
Obligation of NSP Funds	Yes	18 Months maximum from date of receipt
Households Served	Yes	100% of funds to 120% AMI or below, 25% of all funds to 50% AMI or below
Property Location	Yes	All single-family homes in high risk block groups (7-10)
Rehabilitation Standard	Local Code & Energy Star	Minimum of HQS and local codes
Home Buyer Education	Yes	All purchasers must complete 8 hours of counseling
Sales Price	Yes	Maximum sales price of homes is equal to or less than cost of acquisition and rehabilitation
Purchase Discount	Yes	Minimum purchase discount is 5% from appraisal, overall project discount is at least 15%
Affordability Period	Yes	All projects will meet affordability period requirements
Administrative Funds	1.73%	Up to 2% of project costs for reporting requirements
Cross-cutting Regulations	Yes	Meet requirements of Davis/Bacon, Lead-Based Paint, Uniform Relocation Act, Affirmative Marketing
Reporting Ability	Yes	Meet CDOH and HUD reporting requirements

OVERALL APPLICATION BUDGET

Activity Type	Total # of Units	# of Units @ 50% AMI or below	# of Units @ 50 – 80% AMI	# of Units @ 80 - 120% AMI	Expected Program Income	Requested Funds
1. Purchase/Rehabilitate Abandoned or Foreclosed Multifamily Properties	16	16	0	0	None	\$1,834,059
2. Purchase/Rehabilitate Abandoned or Foreclosed Single Family Properties	3			3	Up to \$38,766	\$381,795
3. Acquisition and Demolition of Blighted Structures	5			5	Up to \$64,610	\$641,756
4. Pre-Purchase Homebuyer Counseling	Included above					
5. Establish Funding Mechanisms	-					
2. Acquisition of Vacant or Abandoned Properties for Land Banking	-					
2. Acquisition of Vacant Abandoned Properties for Redevelopment	-					
Totals	24	16		8		\$2,857,610
NSP Tier 1 Allocation						\$,2,857,610
6. Administration (Reporting)	-					\$49,367

Individual Project Activity Information:

CDOH Project Activity Type: Multi-family Acquisition/Rehabilitation Project (CDOH Project Activity 1)

HUD Eligible Activity Type(s): Activity B – Purchase and Rehabilitation,
Activity E - Redevelopment

Project Photo:



Project Address: 815, 823,827 East 4th Street, Pueblo, Colorado

Project Description:

The City of Pueblo is requesting a \$1,834,059 NSP grant to assist in the purchase and rehabilitation of three (3) multi-family buildings in the 800 block of East Fourth Street, Pueblo, Colorado for use as permanent affordable rental housing for Veterans at 50% AMI or below (rent level set at 25% AMI). The properties are currently abandoned and vacant and are in need of extensive rehabilitation. The City of Pueblo will complete the acquisition and rehabilitation and then convey the ownership of this affordable rental project to Posada, Inc. Posada Inc. is a Community Housing Development Organization (CHDO) that currently owns and manages a number of affordable rental projects. In addition, Posada, Inc. will provide a range of services to these Veteran households including access to medical and dental assistance, mental health treatment, and job training programs.

AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households)
<u>NSP-Assisted Units</u> (16) 1BR, (0) 2BR, (0) 3BR	2	≤ 30% of AMI (\$35,850)
<u>Other Affordable Units</u> (X) 1BR, (X) 2BR, (X) 3BR	14	≤ 50% of AMI (\$35,850)
<u>Employee (1) & Market Rate Units (12)</u> (X) 1BR, (X) 2BR, (X) 3BR	0	
<u>Total Units</u>	0	
	16	

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Acquisition	\$300,000	\$300,000			
Appraisal & Market Study	\$2,500	\$2,500			
Architect/Engineering	\$273,675	\$273,675			
Building Permit & Tap Fees	\$19,500	\$19,500			
Construction	\$1,640,000	\$986,993	\$75,000 \$578,007	City of Pueblo CDBG City of Pueblo HOME	Committed Committed
Contingency	\$165,000	\$165,000			
Developer Fee	\$86,391	\$86,391			
Totals	\$2,487,066	\$1,834,059	\$653,007		

PROJECT ASSESSMENT FOR Rental Acquisition w/ Rehab

Criteria	Project Data			DOH Range
Building Cost				
Cost/Unit/Sq. Ft.	\$155,442 /Unit	\$249 /SF		\$100 to \$140
Hard Cost/Unit/Sq. Ft.	\$132,781 /Unit	\$213 /SF		\$90 to \$120
Soft Cost/Unit/Sq. Ft.	\$22,660 /Unit	\$36 /SF		\$10 to \$20
Hard/Soft Cost	85% Hard	15% Soft		
Cost Effectiveness Rating				
DOH subsidy/unit	\$114,629			\$2,000 to \$10,000
Annual Cost/Person Rating	1	30	yrs	1 to 10 Scale
Externality Rating	8			1 to 10 Scale
Rent Savings Rating	1			1 to 10 Scale
Financial Leveraging Rating	0			1 to 10 Scale
Composite Score	10			1 to 40 Scale
Operating Cost				
PUPA	\$2,790			\$3,700 to \$4,700
Annual Replacement Reserve	\$406			\$300
Debt Coverage Ratio	No debt			1.10 to 1.20
Capitalized Operating Reserve	None planned			4 months debt & operating costs
Financial Commitments				
Terms of Primary Financing	None			
P.V. Tax Credits	None			\$.75 to .85
Other Criteria				
Fully Accessible Units		8/ 50%		5% of Units Required
Visitable Units		8		All units Encouraged
Energy-Efficiency Standard		Energy Star		CDOH Energy Standards Policy
Water Efficient Landscape		Yes		Denver Water Board Recommendation
30% AMI Units		2 / 13%		5% of Units Encouraged
CDOH Funding Eligibility		NSP		
Action Plan Priority		CDOH Activity 1		CDOH Action Plan Priority
Housing Needs Assessment Supports Project		Assessment is Pending		Local Housing Needs Assessment

Individual Project Activity Information:

CDOH Project Activity Type: Purchase, Rehabilitate and Resale Homeownership Program (CDOH Project Activities 2 & 3)

HUD Eligible Activity Type(s): Activity B – Purchase and Rehabilitation,
Activity E - Redevelopment

Project Photo:



Project Address: Varies in allowable block groups

Project Description:

The City of Pueblo is requesting a \$1,057,818 NSP grant to assist in the purchase and redevelopment of five (5) blighted homes for households at 120% AMI and below and the purchase (for use by Habitat for Humanity), rehabilitation and resale of three (3) homes for households at 120% AMI and below for a total of eight (8) homes. The properties are located in the area of greatest need census tracts and will be purchased for an average discount of at least 15% from appraised value. The City of Pueblo will directly operate this program and use a variety of local professionals (appraisers, real estate agents, title companies, contractors) to complete this program. A minimum of eight (8) hours of home buyer counseling will be provided to the potential home buyers through Catholic Charities and Neighborhood Housing Services. Homes will be rehabilitated to meet current local code and Energy Star requirements and will be sold for no more than the cost of the purchase and rehabilitation. Down payment assistance will be provided by through Neighborhood Housing Services on an as needed basis.

AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households)
NSP-Assisted Units Individual unit info @ time of purchase	8	≤ 120% of AMI (\$64,680)
<u>Employee & Market Rate Units</u> (X) 1BR, (X) 2BR, (X) 3BR		unrestricted
<u>Total Units</u>	8	

PROGRAM BUDGET

Project Activities	Total Program Cost	State Funds Requested	Other Funds	Source(s)	Status
Property Acquisition	\$560,000	\$560,000			
Appraisal	\$2,800	\$2,800			
Property Inspection/Construction Estimate	\$3,320	\$1,500	\$1,820	City of Pueblo	Committed
Building Permits and Fees	\$3,200	\$3,200			
Construction	\$240,000	\$240,000			
Construction Contingency	\$24,000	\$24,000			
Property Carrying Costs	\$9,600		\$9,600	City of Pueblo	Committed
Financing Fees	\$12,000	\$12,000			
Pre-Purchase Homebuyer Counseling	\$3,000	\$3,000			
Marketing	\$28,000	\$28,000			
Developer Fee	\$111,624	\$111,624			
Other Project Activity Costs: title work, inspections	\$104,000	\$32,000	\$72,000	City of Pueblo	Committed
Totals:	\$1,101,544	\$1,018,124	\$83,420		

PROJECT ASSESSMENT FOR NSP ACQIUSTION, REHAB, RESALE PROGRAMS

Criteria	Program Data	DOH Range
Purchase & Rehabilitation		
Average Purchase Price	\$70,000	\$ and \$ Sq. foot
Average Housing Rehabilitation Cost	\$33,000	\$ and \$ Sq. foot
Hard Cost	81%	\$ and \$ Sq. foot
Soft Cost	19%	\$ and \$ Sq. foot
Land Cost/Unit	In purchase price	\$ and \$ Sq. foot
NSP Subsidy/Unit	\$40,000 average	\$/Unit
1 st Mortgage Information		
Source(s) Terms & Rates	Varies by lender	
Home Buyer Equity	Varies by lender	Depends on lender
NSP Second Loan Information (if applicable)		
Current # of Loans in Portfolio	Provided through other sources	
Average Loan Amount	“	
Current Value of Loan Portfolio	“	
Current Amount of Program/Miscellaneous Income On-Hand	“	
Projected Annual Program/Miscellaneous Income	“	
Total # of Loans Since Program Inception	“	
Percent Program Costs Covered by Program/Miscellaneous	“	
# of New Loans	“	
# of New Loans From Program/Miscellaneous Income	“	
# of New Loans From CDOH Grant	“	
Home Buyer Equity	“	\$500 Minimum
Maximum NSP \$ Loan Amount	“	4.5 – 8.5% of FHA Limit
Loan Term	“	
Loan Rates	“	0% Up to Commercial
Market Information		
Qualifying Household Income	\$64,680	Up to 120% AMI, 4 people
# of Affordable Homes for Sale	1,086	Affordable at 120% AMI
Maximum Purchase Price of Homes in Program	\$257,498	95% of FHA Limit
Average Sale Price of Homes in Program	\$80,000	
Average Price of All Homes for Sale in Market	\$114,078	
Number of Applicants on Waiting List	new program	
Geographic Distribution of Projects	Throughout identified block groups	Full coverage in identified block groups
Other Criteria		
Energy-Efficiency Standard	Energy Star	CDOH Energy Standards
CDOH Funding Eligibility	NSP	
Action Plan Priority	DOH Activity 2	CDOH Action Plan
Housing Needs Assessment Supports Project	Assessment is pending	Local Housing Needs Assessment

Comments:

- **Management Capacity**

Pro:

1. The City of Pueblo has experience in administering HOME and CDBG projects that are similar in nature to the proposed NSP projects. For example, the City of Pueblo has directly completed the purchase and resale of over 90 single-family lots and the purchase and relocation of 20 homes. In addition, the City has an active rehabilitation program and experience with the redevelopment of existing buildings into affordable housing.
2. Posada, Inc. has been identified as the local non-profit that will own, manage and provide services for the planned multi-family project and brings their extensive experience in homeless services and housing management.

Con: None.

- **Public/Private Commitment**

Pro:

1. The City of Pueblo is committing over \$650,000 in HOME and CDBG funds to the multi-family rental project.
2. The City will utilize their existing system of contractors, realtors, appraisers, non-profits, and the housing authority to assist in completing the projects within the NSP timeframe.
3. Down payment assistance will be provided as necessary through other City resources on an as needed basis.
4. The City plans to utilize the National Community Stabilization Trust (NCST) to support the purchase and rehabilitation program.

Con: None.

- **Market Demand**

Pro:

1. The City has experience with the housing stock and markets in the areas of greatest need to be served by the NSP projects. Current resale periods in these neighborhoods is averaging 130 days and the city expects the homes in the NSP project to have similar results.
2. There is currently no permanent supportive housing for Veterans in Pueblo. Posada, Inc. maintains a list of individuals that could benefit from this type of housing.

Con:

1. The 2008 foreclosure rate in Pueblo was 1 in every 79 homes (ranked 8th highest in the state) and the current unemployment rate is 8.9% (statewide is 7.2%). These factors may influence the ability to resell homes purchased through the NSP projects.

Explain Variances from ranges:

- The multi-family total development costs are above the range due to the significant rehabilitation costs associated with these buildings including accessibility issues, lead-based paint and the stabilization of the foundations.
- The annual operating costs (PUPA) for the multi-family rental project is below the range and is based on actual operating costs of the other Posada, Inc. owned and managed properties.

Other projects funded in Pueblo County since 4/08:

- None.

Other projects funded for the City of Pueblo since 4/08:

- None.

County AMI: \$53,900

Staff Recommendation: Full Funding

Date of Meeting: April 14, 2009

Anarde		Rosser	
Gregory		Weitkunat	
Hatcher			
Lucero			

COLORADO DIVISION OF HOUSING * HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name: Baum Buildings/Hero Alliance

Spreadsheet directions are to the right --->

Date: 4/8/2009

Applicant: City Pueblo

PAGE #1

Spreadsheet Version: 1

Operating Proforma

STABILIZED FIRST YEAR INCOME						EXPENSES		
	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent	Administrative Expenses		
	50%	16		250	48,000	Management Fee	20,000	41.67%
					0	On-site Personnel Payroll		
					0	Health Ins. & Benefits		
					0	Legal & Accounting	2,100	
					0	Advertising	750	
					0	Office Supplies	250	
					0	Telephone	600	
					0	Audit	2,000	
					0	Other	600	
					0	Total Administrative Expenses	26,300	54.79%
					0	Operating Expenses		
					0	Utilities (owner paid)	3,000	
					0	Trash Removal	840	
					0	Fire & Liability Insurance	4,000	
					0	Other		
					0	Total Operating Expenses	7,840	
	Total units	16	Total Rent Income		48,000	Maintenance		
	Total sq ft	0				Maintenance	2,000	
			Parking Income			Repairs	2,000	
			Laundry Income			Grounds (inc. snow removal)		
			Other Income			Other		
			Total Income		48,000	Total Maintenance	4,000	
	Vac. Rate	0.07	Less Vacancy		-3,360	Real Estate Taxes		
			Effective Gross Income		44,640	Operating Reserve		unit avg.= 0
						Replacement Reserve	6,500	unit avg.= 406
			DEBT SERVICE			TOTAL ANNUAL EXPENSES	44,640	
			1st Mortgage		0	NET OPERATING INCOME	0	
			2nd Mortgage		0	P.U.P.A. Expenses *	2,790	
			3rd Mortgage		0	* P.U.P.A = Per Unit Per Annum Expenses		
			TOTAL DEBT SERVICE		0			
	BEP	93.00%	Poss D/S @ 1.1 DCR		0	*Note:		
			Project Debt Coverage Ratio		#DIV/0!			

BEP = Break Even Point

Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio

Neighborhood Stabilization Program (NSP) – DOLA/CDOH Staff Pro/Con Summary

	Amount
HERA/NSP Tier 1 Allocation	\$3,635,661
Current Request Amount	\$2,635,661
Pending Request Amount	\$1,000,000
Balance	\$0

Name: Douglas County – Neighborhood Stabilization Program

Project Number: 09-305

Project Manager & Address: Ms. Jennifer Eby
Douglas County
Community Development Department
100 Third Street
Castle Rock, Colorado 80104
(303) 660-7460 telephone
(303) 669-9550
jeby@douglas.co.us

Overall Application Description and Budget:

Overall Application Description:

Douglas County requests a Neighborhood Stabilization Program (NSP) Tier 1 grant in the amount of \$2,635,661 for two (2) separate projects including the following;

- Land Bank Purchase Program
- Purchase, Rehabilitate and Resale Homeownership Program

Through a separate application, Douglas County, in mutual agreement with Arapahoe County, will request an additional \$1,000,000 for the Community Housing Development Corporation (CHDA) multi-family acquisition/rehabilitation project.

OVERALL NSP APPLICATION ASSESSMENT

Criteria	Project Data	DOH Range
Obligation of NSP Funds	Yes	18 Months maximum from date of receipt
Households Served	Yes – through separate application	100% of funds to 120% AMI or below, 25% of all funds to 50% AMI or below
Property Location	Yes	All single-family homes in high risk block groups (7-10)
Rehabilitation Standard	Local Code & Energy Star	Minimum of HQS and local codes
Home Buyer Education	Yes	All purchasers must complete 8 hours of counseling
Sales Price	Yes	Maximum sales price of homes is equal to or less than cost of acquisition and rehabilitation
Purchase Discount	Yes, will be included in contract documents	Minimum purchase discount is 5% from appraisal, overall project discount is at least 15%

Affordability Period	Yes	All projects will meet affordability period requirements
Administrative Funds	2%	Up to 2% of project costs for reporting requirements
Cross-cutting Regulations	Yes	Meet requirements of Davis/Bacon, Lead-Based Paint, Uniform Relocation Act, Affirmative Marketing
Reporting Ability	Yes	Meet CDOH and HUD reporting requirements

OVERALL APPLICATION BUDGET

Activity Type	Total # of Units	# of Units @ 50% AMI or below	# of Units @ 50 – 80% AMI	# of Units @ 80 - 120% AMI	Expected Program Income	Requested Funds
1. Purchase/Rehabilitate Abandoned or Foreclosed Multifamily Properties						
2. Purchase/Rehabilitate Abandoned or Foreclosed Single Family Properties	25			25		\$1,046,422
3. Acquisition and Demolition of Blighted Structures						
4. Pre-Purchase Homebuyer Counseling	Included in 3# above					
5. Establish Funding Mechanisms	-					
2. Acquisition of Vacant or Abandoned Properties for Land Banking	256		128	128		\$1,589,239
2. Acquisition of Vacant Abandoned Properties for Redevelopment	-					
Totals	281		128	153		\$2,635,661

Individual Project Activity Information:

CDOH Project Activity Type: Land Bank Purchase Program (CDOH Project Activity 2)

HUD Eligible Activity Type(s): Activity C – Land Bank Programs

Project Photo:



Ironstone Site



Anthology Site

Project Addresses: Ironstone Site – Intersection of Morgan and Ironwood, Parker, Colorado
Anthology Site – Intersection of French Creek and Motsenbocker Road, Parker, Colorado

Project Description:

Douglas County is requesting a \$1,560,500 NSP grant to assist in the purchase and land banking of two (2) vacant, foreclosed residential properties located in Parker, Colorado. The anticipated purchase price is well below the required discount rates required of the NSP Program (estimated at 50 to 60% of appraised value). Douglas County will convey the ownership, property management, and redevelopment responsibilities of the vacant sites to the Douglas County Housing Partnership. The Douglas County Housing Partnership (DCHP) was established in March 2003 and is a multi-jurisdictional housing authority established by the jurisdictions of Castle Rock, Lone Tree and Parker and Douglas County and the local business community.

Ironstone Site –

This foreclosed vacant eleven acre property is zoned for multi-family use and will be redeveloped for use as affordable rental housing. The property is located at the intersection of Morgan and Ironwood in Parker, Colorado. The redevelopment of this site will begin with programming and design in 2009 and construction in 2010 – 2011 with an estimated 204 rental housing units to be constructed on the site. Upon award of NSP funds for this activity, the DCHP will initiate an RFP process to select a project developer. An initial 3rd party financial analysis has been completed for this site redevelopment that supports further project development.

Anthology Site –

This foreclosed vacant 5+ acre property is zoned for townhome development and will be redeveloped for use as affordable for-sale housing. The property is located at the intersection French Creek and Motsenbocker Road in Parker, Colorado. The redevelopment of this site will occur within two to three years with an estimated total of

fifty-two (52) affordable for-sale housing units will be constructed on the site.

PROJECTED PROJECT AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households)
NSP-Assisted Units (Unit Mix not determined)	128	≤ 60% of AMI (\$60,800)
	128	≤ 120% of AMI (\$91,200)
<u>Total Units</u>	256	

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Land Bank Acquisition	\$1,504,000	\$1,504,000			
Carrying Costs	\$338,371		\$338,371	Douglas County Housing Partnership	Committed
Project Soft Costs (appraisal, inspections, environmental, staff project management)	\$85,239	\$85,239			
Redevelopment of 256 Housing Units (@ \$169,000 / unit)	\$37,500,000		\$8,300,000 \$15,600,000 \$3,200,000 \$8,100,000 \$500,000 1,800,000	1 st Mortgage (for sale) 1 st Mortgage (rental) Local Funds Tax Credit Proceeds Deferred Developer Fee Other Grants	Pending Pending Pending Pending Pending Pending
Totals	\$39,427,610	\$1,589,239	\$37,838,371		

Individual Project Activity Information:

CDOH Project Activity Type: Purchase, Rehabilitate and Resale Homeownership Program (CDOH Project Activities 2)

HUD Eligible Activity Type(s): Activity B – Purchase and Rehabilitation

Project Photo:



Project Address: Varies in allowable block groups

Project Description:

Douglas County is requesting a \$1,027,500 NSP grant to assist in the purchase and resale of an estimated twenty-five (25) homes foreclosed homes for households at 120% AMI and below. The properties are located in the area of greatest need block groups and will be purchased for an average discount of at least 15% from appraised value. Douglas County will subcontract the responsibility to manage and delivery this project to the Douglas County Housing Partnership (DCHP). The Douglas County Housing Partnership is a current provider of a HUD-approved home buyer counseling program and operates a home buyer assistance programs.

DCHP will utilize a variety of local professionals (appraisers, real estate agents, title companies, contractors) to complete this program. The program will use a shared equity model that provides up to 20% of the purchase price as a deferred second loan. A minimum of eight (8) hours of home buyer counseling will be provided to the potential home buyers through the DCHP. Purchased homes are expected to have minimal rehabilitation needs due to their age and upkeep. No program income is expected in the first several years of the program

AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households)
NSP-Assisted Units (Specific units not determined)	25	≤ 120% of AMI (\$64,680)
<u>Total Units</u>	25	

PROGRAM BUDGET

Project Activities	Total Program Cost	State Funds Requested	Other Funds	Source(s)	Status
Property Acquisition	\$1,000,000	\$1,000,000			
Appraisal	\$8,400	\$8,400			
Property Inspection/Construction Estimate	\$6,000	\$6,000			
Building Permits and Fees					
Construction					
Construction Contingency					
Property Carrying Costs					
Financing Fees					
Pre-Purchase Homebuyer Counseling	\$600	\$600			
Marketing	\$2,000	\$2,000			
Developer Fee					
Other Project Activity Costs: title work, inspections, staff project management	\$10,500	\$10,500			
Totals:	\$1,046,422	\$1,046,422			

PROJECT ASSESSMENT FOR NSP ACQUISITION, REHAB, RESALE PROGRAMS

Criteria	Program Data	DOH Range
Purchase & Rehabilitation		
Average Purchase Price	\$200,000	\$ and \$ Sq. foot
Average Housing Rehabilitation Cost	0	\$ and \$ Sq. foot
Hard Cost	n/a	\$ and \$ Sq. foot
Soft Cost	n/a	\$ and \$ Sq. foot
Land Cost/Unit	In purchase price	\$ and \$ Sq. foot
NSP Subsidy/Unit	\$40,000 / Unit	\$/Unit
1 st Mortgage Information		
Source(s) Terms & Rates	Varies by lender	
Home Buyer Equity	Varies by lender	Depends on lender
Market Information		
Qualifying Household Income	\$86,160	Up to 120% AMI, 4 people
# of Affordable Homes for Sale	181	Affordable at 120% AMI
Maximum Purchase Price of Homes in Program	\$300,000	95% of FHA Limit
Average Sale Price of Homes in Program	\$200,000	
Average Price of All Homes for Sale in Market	\$335,000	
Number of Applicants on Waiting List	On-hold pending funds	
Geographic Distribution of Projects	Throughout identified block groups	Full coverage in identified block groups
Other Criteria		
Energy-Efficiency Standard	Energy Star	CDOH Energy Standards
CDOH Funding Eligibility	NSP	
Action Plan Priority	DOH Activity 2	CDOH Action Plan
Housing Needs Assessment Supports Project	2009 Housing Needs Assessment	Local Housing Needs Assessment

Comments:

- **Management Capacity**

Pro:

1. Douglas County has experience in administering CDBG projects that are similar in nature to the proposed NSP projects. In the past several years, the County has provided funds to a variety of affordable housing projects including the Douglas County Housing Partnership down payment assistance programs and the construction of the Lincoln Point Apartments in the Tech Center area.
2. The Douglas County Housing Partnership (DCHP) has been identified as the local organization that will manage the land bank and home buyer programs funded through these NSP funds. The DCHP is a current State HOME funds and County CDBG recipient and has maintained an excellent reporting and compliance history.
3. RFP processes will be used to obtain the development team for the land bank parcels. Several experienced developers have expressed interest in these projects.

Con:

1. The development of vacant land for multi-family and for-sale properties has not been completed directly by either the County or the Douglas County Housing Partnership. However, these organizations have the resources to determine the role of their own staff and outside professionals to complete successful projects.

- **Public/Private Commitment**

Pro:

1. The Douglas County Housing Partnership will create a land bank carrying cost reserve from their own funds to pay for the costs to hold and maintain the sites until redevelopment (3 to 6 years).
2. Douglas County will contribute \$67,530 for administrative costs to operate the homeownership program.
3. The redevelopment of the land bank sites will require both public and private investments to ensure success.

Con:

1. The final development plans, including financial commitments, have not been completed at this time for either land bank acquisition.
2. The requirement regarding the use of 25% of the overall allocation for households at 50% area median income (AMI) or less will be met through a separate project and developer. If the proposed 50% AMI project fails, Douglas County has identified two alternatives; the 50% AMI units at Ironstone and the purchase of single-family homes for use as group homes.

- **Market Demand**

Pro:

1. Affordable multi-family rental and for-sale housing construction in Douglas County is identified as a high need in the recently completed 2009 Douglas County Housing Needs Assessment.

Con:

1. There are a variety of risks associated with the purchase of foreclosed vacant land for future development, including the actual market demand for the housing product at the time of redevelopment. In Douglas County, as indicated in the recently completed Housing Needs Assessment, the market risks are mitigated by the current need for additional affordable housing units.

Explain Variances from ranges:

- None

Other projects funded in Douglas County since 4/08:

- None.

Other projects funded for Douglas County since 4/08:

- None.

County AMI: \$76,000

Staff Recommendation: Full Funding

Date of Meeting: April 14, 2009

Anarde		vacant	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			

Neighborhood Stabilization Program (NSP) – DOLA/CDOH Staff Pro/Con Summary

	Amount
HERA/NSP Tier 1 Allocation	\$6,010,553
Current Request Amount	\$6,010,553
Pending Request Amount	\$0
Balance	\$0

Name: Jefferson County- Neighborhood Stabilization Program Project Number: 09-302

Project Manager & Address: Jacqueline Pickett
Director, Community Development
Jefferson County
100 Jefferson County Parkway, Suite 3250
Golden, CO 80419
303-271-8372
jpickett@co.jefferson.co.us

Overall Application Description and Budget:

Jefferson County requests a Neighborhood Stabilization Program (NSP) Tier I grant in the amount of \$6,010,553 for two (2) separate projects, including the following:

- Land Bank Purchase Program
- Purchase, Rehabilitation and Resale Homeownership Program.

OVERALL NSP APPLICATION ASSESSMENT

Criteria	Project Data	NSP Standard
Obligation of NSP Funds	Yes	18 Months maximum from date of receipt
Households Served	Yes	100% of funds to 120% AMI or below, 25% of all funds to 50% AMI or below
Property Location	Yes	All single-family homes in high risk block groups (7-10)
Rehabilitation Standard	Yes: local code and Energy Star	Minimum of HQS and local codes
Home Buyer Education	Yes: CHAC will provide	All purchasers must complete 8 hours of counseling
Sales Price	Yes	Maximum sales price of homes is equal to or less than cost of acquisition and rehabilitation
Purchase Discount	Yes: policy to be included in JeffCo's contracts	Minimum purchase discount is 5% from appraisal, overall project discount is at least 15%

Affordability Period	Yes	All projects will meet affordability period requirements
Administrative Funds	Yes 2%	Up to 2% of project costs for reporting requirements
Cross-cutting Regulations	Yes: David-Bacon and URA is N/A. JeffCo will be the lead agency for lead-based paint and fair housing as applicable.	Meet requirements of Davis/Bacon, Lead-Based Paint, Uniform Relocation Act, Affirmative Marketing
Reporting Ability	Yes	Meet CDOH and HUD reporting requirements

OVERALL APPLICATION BUDGET

Activity Type	Total # of Units	# of Units @ 50% AMI or below	# of Units @ 50 – 80% AMI	# of Units @ 80 - 120% AMI	Expected Program Income	Requested Funds
1. Purchase/Rehabilitate Abandoned or Foreclosed Multifamily Properties						
2. Purchase/Rehabilitate Abandoned or Foreclosed Single Family Properties	21	5	7	9	\$ 254,527 (5%)	\$ 1,075,553
3. Acquisition and Demolition of Blighted Structures	0					
4. Pre-Purchase Homebuyer Counseling	Include d in #2 above					
5. Establish Funding Mechanisms	0					
2. Acquisition of Vacant or Abandoned Properties for Land Banking	0					
2. Acquisition of Vacant Abandoned Properties for Redevelopment	0	0	0	0	0	\$ 4,910,553
Totals	21	5	7	9	\$ 254,527 (5%)	\$ 6,010,553

Individual Project Activity Information:**Project Activity Type:** Land Bank Purchase Program (CDOH Project Activity 2)**HUD eligible Activity Type:** Activity C – Land Bank Programs**Project Photo:****Project Address:** 2200 Jackson St, Golden, CO 80401

Project Description: Jefferson County is requesting a \$1,100,000 NSP grant to assist in the purchase and land banking of a vacant, multi-family residential property located in Golden, Colorado. At acquisition, Jefferson County will convey the ownership to the property to Jefferson County Housing Authority (JCHA). It is anticipated that redevelopment will occur within 2 to 4 years with an estimated 52 units of affordable rental housing for seniors, and JCHA will provide the development and property management responsibilities.

PROJECTED PROJECT AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u>
<u>NSP-Assisted Units</u>		
(1) 1BR, (1) 2BR	2	≤ 30% AMI (\$22,800)
(1) 1BR, (1) 2BR	2	≤ 40% AMI (\$30,400)
(1) 1BR, (1) 2BR	2	≤ 50% AMI (\$38,000)
<u>Other Affordable Units</u>		
(3) 1BR, (3) 2BR	6	≤ 30% AMI (\$22,800)
(3) 1BR, (3) 2BR	6	≤ 40% AMI (\$30,400)
(9) 1BR, (9) 2BR	18	≤ 50% AMI (\$38,000)
(8) 1BR, (8) 2BR,	16	≤ 60% AMI (\$45,600)
<u>Total Units</u>	52	

- Incomes are for 4-person households in Jefferson County

PROJECT BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Land Bank Acquisition	\$1,100,000	\$1,100,000			
Project Soft Costs (appraisal, inspections, environmental, staff project management)	\$963,819	\$9,092	\$954,727	other loan	Pending
Redevelopment of 52 Housing Units	\$8,874,777		\$1,375,000	1 st Mortgage (for sale)	Pending
			\$6,846,293	Tax Credit Proceeds	Pending
			\$200,000	JeffCo HOME Funds	Committed
			308211	Deferred Developer Fee	Pending
			\$145,273	other grants	Pending
Totals	\$10,938,596	\$1,109,092	\$9,829,504		

Individual Project Activity Information:

Project Activity Type: Purchase, Rehabilitate and Resale Homeownership Program (CDOH Project Activities 2)

HUD Eligible Activity Type(s): Activity B – Purchase and Rehabilitation

Project Description: Jefferson County is requesting a \$4,910,553 NSP grant to assist in the purchase, rehabilitation and resale of 18-21 homes for households at 120% AMI and below. The properties are located in the census block groups of greatest need in Lakewood, Wheat Ridge and Arvada and will be purchased for an average discount of at least 15% from the appraised value. Homes will be rehabilitated to meet current local code and will use Energy Star appliances and upgrades and will be sold for no more than the cost of the purchase and rehabilitation.

Jefferson County will subcontract the responsibility to manage and deliver this project to Wheat Ridge 2020 and another sub-grantee as identified through the request for proposal (RFP) process. Sub-grantees may utilize a variety of local professionals (appraisers, real estate agents, title companies, contractors) to complete this activity. A minimum of eight (8) hours of home buyer counseling will be provided to the potential home buyers through this activity. Jefferson County has an existing partnership with Colorado Housing Assistance Corporation (CHAC) to provide homebuyer education.

PROJECTED PROJECT AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u>
<u>NSP-Assisted Units</u>		
(5) single family units	5	≤ 50% AMI (\$38,000)
(7) single family units	7	≤ 80% AMI (\$60,800)
(9)	9	≤ 120% AMI (\$91,200)
<u>Total Units</u>	21	

* Incomes are for 4-person households in Jefferson County



Project Photo:

Project Address: Scattered site in high risk census block groups in Arvada, Wheat Ridge, and Lakewood

PROGRAM BUDGET

Project Activities	Total Program Cost	State Funds Requested	Other Funds	Source(s)	Status
Property Acquisition	3,150,000	3,150,000	0		
Appraisal	31,500	31,500	0		
Property Inspection/Construction Estimate	50,000	50,000	0		
Building Permits and Fees	294,000	294,000	0		
Construction	630,000	630,000	0		
Construction Contingency	64,000	64,000	0		
Property Carrying Costs	20,000		20,000	Partner contribution	Pending
Financing Fees			0		
Pre-Purchase Homebuyer Counseling	180,000	80,000	100,000	Jefferson County CDBG funds	Committed
Marketing	11,050	11,050	0		
Developer Fee	387,616	387,616	0		

Other Project Activity Costs: title work, inspections, project management, start up costs	261,119	120,317	140,802		
Total	5,079,285	4,818,483	260,802		

PROJECT ASSESSMENT FOR NSP ACQUISITION, REHAB, RESALE PROGRAMS

Criteria	Project Data		CDOH Range
Building Cost			
Average Purchase Price	\$277,130 /Unit	\$4,849.78 /SF	\$100 to \$140
Average Housing Rehab Cost	\$75,000 /Unit	\$3,571 /SF	
Hard Cost/Unit/Sq. Ft.	\$234,640 /Unit	\$195.53 /SF	\$90 to \$120
Soft Cost/Unit/Sq. Ft.	\$42,490 /Unit	\$35.41 /SF	\$10 to \$20
Hard/Soft Cost	85% Hard	15% Soft	
NSP subsidy/unit	\$257,314	92.5% NSP	\$2,000 to \$10,000
Land Cost/Unit	In purchase price		\$ and \$ Sq. foot
1 st Mortgage Information			
Source(s) Terms & Rates	pending		0% Up to Commercial
Home Buyer Equity	pending		Depends on lender
Maximum NSP \$ Loan Amount	pending		4.5 – 8.5% of FHA Limit
Market Information			
Qualifying Household Income	\$ 83,880 (4 people)		Up to 120% AMI,
# of Affordable Homes for Sale	pending		Affordable at 120% AMI
Maximum Purchase Price of Homes in Program	pending		95% of FHA Limit
Average Price of All Homes for Sale in Market	pending		
Number of Applicants on Waiting List	0		
Geographic Distribution of Projects	6-7 homes in impacted census block groups		Full coverage of impacted census tracks
Other Criteria			
Energy-Efficiency Standard	Energy Star Appliances + water efficient landscape		CDOH Energy Standards
CDOH Funding Eligibility	NSP		NSP
Action Plan Priority	CDOH Activity 2		CDOH NSP Action Plan
Housing Needs Assessment Supports Project	2003 Housing Needs Assessment + City of Golden Housing Task Force Recommendations		Local Housing Needs Assessment

Comments:

- **Management Capacity**

1. Jefferson County has experience in administering CDBG projects that are similar in nature to the proposed NSP projects. In the past several years, the County has granted CDBG and HOME funds to a variety of affordable housing projects and programs including self-help housing, rental housing development, and downpayment assistance to sub-grantees throughout the County.
2. Jefferson County Housing Authority (JCHA) has been identified as the local organizations that will own the land bank and ultimately develop the property. The JCHA has been a previous State HOME funds and County CDBG recipient and is compliant with their most recent projects.
3. RFP processes will be used to obtain the development team for the single family acquisition/ rehabilitation/ resale program. Several experienced developers have expressed interest in these projects.

Con:

1. The development of vacant land that will be land banked for several years is subject to change depending on external factors including market conditions, economic conditions, and the availability of financing. However, JCHA has the experience to determine the role of their own staff and outside professionals to complete a successful multi-family projects.

- **Public/Private Commitment**

Pro:

1. Jefferson County is covering the cost of homebuyer education through an existing contract with Colorado Housing Assistance Corporation (CHAC).
2. The development of the land bank site will require both public and private investments to ensure future success.

Con:

1. The final development plans, including financial commitments, have not been completed at this time for the land bank acquisition.

- **Market Demand**

Pro:

1. Affordable multi-family rental in the City of Golden has been identified as a high need in the recent report from the Golden City Council.

Con:

1. There are a variety of risks associated with the purchase of foreclosed vacant land for future development, including the actual market demand for the housing product at the time of redevelopment. However, there will continue to be considerable demand for affordable senior housing in Jefferson County.
2. The requirement regarding the use of 25% of the overall allocation for households at 50% area median income or less will be met through the acquisition/ rehabilitation/ resale project of single-family units. Project developer will need to ensure that qualified applicants are eligible, in order to ensure compliance.

Explain Variances from ranges:

- Costs per units are high because NSP funds comprise 93% of the project cost for the single family activity.

Other projects funded *in* Jefferson County since 4/08:

- 08-035 Rocky Mountain HDC, Inc, Sheridan Ridge \$275,000
- 08-026 Lakewood Housing Authority, Maplewood Apartments \$500,000

Other projects funded *for* Jefferson County since 4/08:

- none

County AMI: \$ 71,800**Staff Recommendation:** full funding

Date of Meeting: 4/14/2009

Anarde		vacant	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			